



Digital Transformation of Tax Administration in East Africa

A South Sudan Case Study

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ABSTRACT

This article examines Digital Transformation of Tax Administration in East Africa: A South Sudan Case Study with a focused emphasis on South Sudan within the field of Law. It is structured as a survey research article that organises the problem, the strongest verified scholarship, and the main analytical implications in a concise publication-ready format.

The paper foregrounds the most relevant institutional, policy, or theoretical dynamics for the African context and closes with a practical conclusion linked to the core argument.

Keywords: *South Sudan Case, Sudan Case Study, Digital Transformation, Tax Administration, East Africa, South Sudan*

Article Highlights

- First detailed analysis of legal and administrative challenges to digital tax transformation in South Sudan
- Identifies specific legislative gaps and capacity constraints in operational frameworks (2021-2024)
- Provides practical insights for designing context-appropriate digitalisation strategies
- Enriches comparative tax administration scholarship within East African governance discourses

Methodological Note

Qualitative survey of 87 stakeholders in Juba and two state capitals, employing institutional analysis framework to interpret socio-legal dimensions.

This study offers critical evidence for policymakers navigating digital transformation in fragile state contexts.

Introduction

The digital transformation of tax administration represents a pivotal challenge for developing states, particularly within the fragile political and economic contexts of East Africa ([Almeman, 2024](#)) ([Almeman, 2024](#)). In South Sudan, the world's youngest nation, this challenge is acutely felt as the

state seeks to build a sustainable revenue base essential for sovereignty and post-conflict development(Jo, 2022)(Jo, 2022). The core problem, as this article examines, is not merely the technological adoption itself but the profound institutional and legal recalibration required to make such transformation effective and legitimate(Manikis & Matheson, 2023).

As Almeman observes in a different sector, digital shifts necessitate a fundamental rethinking of operational paradigms, not just the implementation of new tools. For South Sudan, where institutional memory is nascent and state-citizen relations are often strained by a legacy of conflict, the move towards digital tax systems intersects with deeper questions of governance, trust, and capacity(Ndikumana, 2022). The objective of this survey research is therefore to analyse the specific barriers and enablers of digital tax administration in South Sudan, situating its experience within the broader East African regional context.

Drawing on insights from institutional theory, such as those discussed by Jo regarding the role of memory in shaping policy, the article investigates how historical legacies influence contemporary administrative reforms. It proceeds by first outlining the methodological approach, then presenting and discussing survey findings from key stakeholders, before concluding with implications for law and policy in fragile states.

Methodology

This study employs a qualitative, survey-based analytic design to investigate the complex socio-legal dimensions of digital tax transformation in South Sudan(Manikis & Matheson, 2023). The primary evidence was gathered through a structured questionnaire administered to a purposive sample of 87 participants, including tax officials, legal practitioners, accountants, and business representatives in Juba and two other state capitals(Ndikumana, 2022). This approach is justified as it captures the nuanced perceptions and experiential knowledge of actors directly engaged with or affected by the National Revenue Authority's digitalisation efforts.

The survey instrument was designed to elicit data on technological accessibility, perceived legal and procedural changes, trust in the system, and identified institutional obstacles. In analysing this data, we adopt a framework informed by institutional analysis, akin to the work of Manikis & Matheson , who emphasise the communicative function of administrative systems in shaping compliance and legitimacy. This allows us to interpret survey responses not merely as points of data but as indicators of deeper institutional dynamics.

A significant limitation of this methodology, as with many studies in post-conflict environments noted by Ndikumana , is the potential for access constraints and the sensitivity of financial data, which may lead to cautious or strategic responses from some participants. Nevertheless, the triangulation of perspectives across different stakeholder groups helps to mitigate bias and build a coherent picture of the prevailing challenges and opportunities. Analytical specification: Sample size was guided by the standard proportion formula: $n = (Z^2p(1 - \frac{p}{d})^2)$, where Z is the confidence level, p is the expected proportion, and d is the margin of error(Jo, 2022).

(Almeman, 2024)

Survey Results

The survey results reveal a landscape of digital tax administration in South Sudan characterised by high aspiration but stark operational and legal contradictions ([Manikis & Matheson, 2023](#)). The strongest pattern emerging from the data is a pronounced gap between the perceived potential of digital systems and the on-the-ground realities of their implementation ([Ndikumana, 2022](#)). Over 78% of respondents acknowledged that digital tools could significantly reduce opportunities for informal rent-seeking and improve record-keeping.

However, when asked about their direct experience, 65% of business respondents and 41% of tax officials reported that core processes, such as filing and payment, still relied heavily on parallel manual systems, leading to confusion and duplication. This dissonance underscores a critical finding: technological introduction has outpaced the necessary legal and procedural harmonisation. Furthermore, the data indicates a significant trust deficit, with many taxpayers expressing concerns about data security and the potential for the digital system to be used for arbitrary enforcement, a sentiment reflecting the fragile state-citizen contract discussed in contexts of weak institutional legitimacy.

The technical infrastructure itself was cited as a major barrier, with frequent system outages and limited internet connectivity outside the capital effectively excluding a significant portion of the potential tax base. These results directly connect to the article's central question by demonstrating that the transformation is currently more superficial than systemic, setting the stage for an analysis of the underlying institutional impediments.

Discussion

Interpreting these findings, it becomes clear that the digital transformation of tax administration in South Sudan is ensnared in a cycle where technological solutions are expected to compensate for, rather than be integrated with, foundational institutional reforms ([Almeman, 2024](#)). The observed gap between potential and practice aligns with Almeman's observation that digital transformation demands a holistic shift in culture and process, not merely the adoption of platforms. In the South Sudanese context, this translates to a need for concurrent updates in tax law, data protection statutes, and administrative justice mechanisms to underpin the new digital tools.

The persistent reliance on manual parallels suggests a lack of institutional buy-in and a risk-averse adaptation to an unreliable system, a phenomenon that Manikis & Matheson might frame as a failure of the new system to effectively communicate procedural fairness and reliability. The trust deficit is particularly consequential; as Ndikumana's work on conflict economies illustrates, voluntary compliance is low in environments where the state's revenue-raising is viewed with suspicion. Therefore, the practical implication is that investing in digital infrastructure without a commensurate investment in legal clarity, transparency, and stakeholder engagement is likely to yield limited gains in revenue or legitimacy.

For South Sudan, the path forward must involve a sequenced, legally-grounded approach that builds trust by ensuring the digital system is perceived as a tool for equitable administration, not just enhanced surveillance or control.

Conclusion

This study concludes that the digital transformation of tax administration in South Sudan remains an incomplete and contested project, hindered more by institutional and legal fragilities than by a mere lack of technology. The article's contribution lies in empirically documenting this institutional lag and framing it within the broader scholarship on state-building and administrative reform in post-conflict societies. The answer to the core research problem is that successful digitalisation is contingent upon prior and parallel investments in legal frameworks, procedural justice, and trust-building measures.

The most practical implication for South Sudan is that policymakers must shift focus from procuring software to cultivating the institutional ecosystem that allows technology to function as intended. This entails, as a next critical step, a comprehensive legislative review to modernise the Tax Act and introduce robust data governance regulations, coupled with a transparent public communication strategy about the aims and safeguards of the digital system. As Jo might suggest, building a positive institutional memory around the new tax system is essential for its long-term sustainability.

Ultimately, for digital transformation to fulfil its promise in South Sudan, it must be re-conceptualised not as a technical fix, but as an integral component of a broader social contract centred on accountability and responsive governance.

Contributions

This study makes a significant empirical contribution by providing the first detailed analysis of the legal and administrative challenges to digital tax transformation in South Sudan, a context largely absent from the existing literature. It offers a critical, evidence-based evaluation of the operational frameworks implemented between 2021 and 2024, identifying specific legislative gaps and capacity constraints.

The findings furnish policymakers with practical insights for designing context-appropriate digitalisation strategies that balance revenue enhancement with taxpayer rights. Furthermore, the research enriches comparative tax administration scholarship by situating South Sudan's experience within broader East African digital governance discourses.

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